

299.290 Use of surplus of former company -- Assets and liabilities.

- (1) Any surplus that may be found to exist in the assets of the assessment or cooperative company over and above all its liabilities, including the legal reserve for all outstanding policies in force, as ascertained and certified by the director, at the date of its reorganization as a stock or mutual company, shall be held as a fund for the security of the policyholders of the assessment or cooperative company. This fund shall not, under any circumstances, pass to the ownership of the stockholders or members of the reorganized company, or be distributed among them, or be used or encroached upon for the payment of dividends upon the capital stock, but the fund may be used to pay the losses incurred by the reorganized company upon policies written upon the cooperative or assessment plan prior to the reorganization.
- (2) Upon the completion of its reorganization as a stock company, the assets and liabilities of the assessment or cooperative company shall become the assets and liabilities of the stock company, except as otherwise provided in KRS 299.220 to 299.300.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. secs. 681b-4, 681b-9.